



HB 641 Testimony  
House Ways & Means Committee  
June 26, 2018  
Chris Kershner

Dayton Area Chamber of Commerce/Dayton Area Logistics Association

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Chairman Schaffer and members of the House Ways and Means Committee, I'm Chris Kershner Executive Vice President of the Dayton Area Chamber of Commerce and the Dayton Area Logistics Association. The Dayton Area Chamber of Commerce represents over 2,400 business, which employ over 200,000 employees in a 10 county region. The Dayton Area Chamber of Commerce and our members created the Dayton Area Logistics Association in 2015 to provide direct support and engagement for the growing logistics and distribution industry in the Dayton region.

It is by no accident that the logistics and distribution industry is thriving in the Dayton region, as the Dayton area is strategically located at the Crossroads of America – which is the I-70 & I-75 interchange, which is located two miles from the Dayton International Airport, which is also the location of a CSX freight rail line that comes down from the Toledo port.

Because of this strategic geographic advantage, Fortune 500 companies have taken notice and located significant operations to this area. Companies like P&G, have invested \$90 million and created 1,000 jobs in distribution, Caterpillar relocated their North American parts distribution operation to this area creating 500 jobs, Payless shoes has their distribution operations here with 500 jobs and most recently, Spectrum Brands – the parent company over Armor All, relocated their logistics and distribution operations. All of these companies are supported by some of Ohio's great trucking and logistics companies like Dayton Freight, Rush Transportation and Jet Express Trucking.

In total, the logistics and distribution industry has a \$2.5 billion annual economic impact on just the Dayton region and employs over 20,000 direct jobs, which generate over \$27 million in state and local income tax revenue.

With this industry thriving and growing, we need to continue to support these companies and position Ohio to take full advantage of this economic influx.

HB 641 will level the playing field and position the logistics and distribution industry to have similar tax advantages that are currently afforded to logistics equipment purchases in our neighboring state of Indiana and the Ohio manufacturing industry. Currently, Ohio manufacturers are exempt from paying state sales tax on the purchase of forklifts and conveyors used to load, unload, transport and move products that were manufactured in Ohio. However, companies that don't manufacture products in Ohio, but instead load, unload, transport and warehouse products are not exempt from state sales tax on the purchase of the equipment used to move these goods. Neighboring state of Indiana does exempt the sales tax on the purchase of this equipment. With the Dayton area located less than 45 minutes from the Indiana border, it is very easy and economically beneficial for Ohio based companies to go over the border and make equipment purchase that can cost tens of thousands of dollars.

A good example of this, is Dayton based trucking company Dayton Freight. They used to purchase 90 forklifts a year at an approx. cost of \$2 million annual. They made these purchases from a forklift sales company in the Dayton area and Dayton Freight employed technicians to in-service these forklifts at their Dayton facility. Following the in-service, then they would ship them to various warehouses. Since Indiana eliminated the sales tax, Dayton Freight moved all \$2 million in annual purchasing for their 90

forklifts to Indianapolis, and moved their technician in-servicing jobs to Indianapolis. This is a direct negative impact that is affecting Ohio's jobs and companies.

I encourage you to consider passing HB 641 to keep these purchases in the State of Ohio and support Ohio's logistics and distribution companies and jobs.

Thank you for your time and I would be happy to answer any questions you may have.